

AGREEMENT
SOUTH MILL TAILINGS POND

John Santiago Sr.
3485 Nakona Lane
Las Vegas, Nevada 89109

and

Paul Guadagnoli

A. For the use of Mr. Guadagnoli's Mineral Processing methods, used to extract, remove and deliver precious metals of commercial values from and ore body described herein as the "SOUTH MILL TAILING PONDS", without causing environmental or hazardous problems that would result in a permant shut down of production from the said project, Mr. Guadagnoli shall recieve a Seven (7%) percent NSR (Net Smelter Return), or seven (7%) percent of all gross receipts realized from the sale of ore and/or concentrates, to include all contracted materials, processed and/or sold from the "SOUTH MILL TAILING PONDS".

B. If the above mentioned environmental criteria is not adhered to, and a problem does arise that will cause the project to be shut down permanently then this agreement will be considered null and void.

C. Mr. Guadagnoli shall also act for the "CORPORATION" as a consultant. Consultant fees shall be billed on a per month basis at the rate of Three Thousand Five Hudred (\$3500.00) Dollars per month plus expenses for the first three months (3) Starting August 14, 1988, afterwhich and for the duration of this contract all consultant services shall be billed at the rate of Eight Thousanad (\$8000.00) Dollars per month plus expences. All fees shall be paid in advance of work to be performed

D. Upon the signing of this contract all pccessing formulas shall be turned over to Mr. Santiago as a gesture of good faith on behalf of Mr. Guadagnoli.

E. All Metals ,valued or not valued, which are extracted by any means from the "SOUTH MILL TAILING PONDS" shall be considered the property of the "Corporation" and "Mr. John Santiago Sr." and or his assigns. The sale of any materials, (Dore', ore, concentrates or metals, valued or not), derived from the "SOUTH MILL TAILING PONDS" shall be subject to the stipulations as set forth in Paragraph "A".

Mr Santiago agrees that all contract negotiations on the "SOUTH MILL TAILING PONDS" will be negotiated with Mr. Guadagnoli in presence. Also that at any time Mr. Guadagnoli has access to all paperwork and accountings or documentation of the "Corporation" business transactions of the "SOUTH MILL TAILING PONDS".

The length of this contract shall be a minimum of two (2) years with an option for contract renewal thrity (30) days prior to resigning. There shall be no termination of this contract by Mr. Santiago.

F. At no time shall Mr. Guadagnoli have the right to sell, trade or negotiate for any of the "South Mill Tailings Ponds" values without the express written permission of Mr. Santiago.

G. Mr. Guadagnoli expressly reserves the right to utilize the process on other projects as he sees fit. Mr. Guadagnoli further reserves the right to not be constrained by this contract as an exclusive consultant for the "Corporation" and/or Mr. Santiago.

H. Mr. Santiago and the "Corporation" will have no rights in regard to the use of this process anywhere with the exception of the "South Mill Tailings Ponds", without the expressed written consent of Mr. Guadagnoli.

I. Disputes or differences between either of the parties shall not interrupt the operation of the processing of the material or cause the interruption of the income to be disrupted to the respective parties.

J. Neither party shall be deemed in default if they have ceased the performance of operations hereunder during any period in which operations are prevented by any reasonable cause beyond their control, which cause is herein called "Force Majeure". Force Majeure shall include without limitation fire, floods, windstorms or other damage from the elements; strikes, labor disputes, riots, action of government authority, war, insurrection and/or acts of God or public enemy. Such party shall be excused from performance hereunder only during the period of Force Majeure. All reasonable actions will be diligently taken to remove and/or mitigate the effect of any Force Majeure by the effected party or parties.

K. At no time during the duration of this contract is there to be any communication or information given to anyone about the business of the participants and there roles as it relates to the project. There shall be no discussion, outside of the project participants, as to the business of the "South Mill Tailings Ponds" without the express written permission of the "Corporation" and/or Mr. Santiago.

L. All notices to be given hereunder to the "Corporation" and or Mr. Santiago shall be delivered registered or certified mail, return receipt requested to the following address:

John Santiago Sr.
3485 Nakona Lane
Las Vegas, NV 89109

All notices to be given hereunder to Mr. Guadagnoli and/or his assigns shall be delivered registered or certified mail, return receipt requested, to the following address:

Paul Guadagnoli
3505 Irv-Marcus Drive
Las Vegas, Nevada 89108

Either party may change the above designated address upon written notification of the other party.

M. This agreement invalidates any and all prior agreements or understandings either written or oral, as they pertain to the "South Mill Tailings Ponds". This agreement shall be binding upon the parties, their respective heirs, legal representatives, successors in interest and assigns. The laws of the State of Nevada shall govern the interpretation of any provisions in this agreement. The invalidity or the inability to enforce of any provision of the agreement shall not effect the validity or enforceability of any other section.

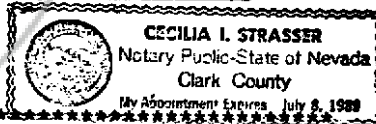
State of Nevada
County of Clark

Before me, the undersigned Notary Public, personally appeared John Santiago Sr., who acknowledged that the same was executed of his own free will and act, and that he was authorized to execute the same.

Dated this 14th day of Sept, 1988.

Cecilia I. Strasser
Notary Public

John Santiago Sr.
John Santiago Sr.



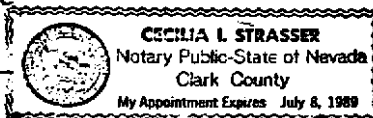
State of Nevada
County of Clark

Before me, the undersigned Notary Public, personally appeared Paul Guadagnoli, who acknowledged that the same was executed of his own free will and act, and that he was authorized to execute the same.

Dated this 14th day of Sept, 1988.

Cecilia I. Strasser
Notary Public

Paul Guadagnoli
Paul Guadagnoli



COPY

No. 90477

FILED AND RECORDED AT REQUEST OF
Paul Guadagnoli

December 23, 1988

AT 5 MINUTES PAST 2 O'CLOCK

P M IN BOOK 83 OF OFFICIAL

RECORDS, PAGE 462 LINCOLN

COUNTY, NEVADA.

FRANK C. HULSE
COUNTY RECORDER

By Maria Cordis, Deputy